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January 8, 1992

By Hand

Sean Mulroney, Esq.
Assistant Regional Counsel
Environmental Protection Agency
230 South Dearborn Street
5 SCS Tub 5
Chicago, Illinois 60604

Richard J. Kissel, Esq.
Gardner Carton & Douglas
321 North Clark Street
Quaker Tower
Chicago, Illinois 60610

Re: Waukegan Coke Site ("Site") Access Agreement

Gentlemen:

Attached is a redrafted access agreement conforming to discussions held on January 6, 1992 between North Shore Gas Company ("North Shore") (Ms. Grammer, Messrs. Doyle, Kauffman, Selman), Outboard Marine Corporation ("OMC") (Messrs. Kissel, Vitale), and the U.S. Environmental Protection Agency ("EPA") (Mr. Mulroney). North Shore has satisfied its promise to OMC and EPA for production of a new access agreement. As of today, however, OMC has failed to respond to several matters going to the heart of completing the access agreement and has broken its January 6, 1992 promise to North Shore and the EPA, and delayed initiation of Site work.

Specifically, by January 7, 1992, Messrs. Kissel and Vitale agreed to provide North Shore and EPA with the following:

- Identification of Site areas owned by OMC.
- Identification of Site areas owned by Larsen Marine and/or others.
- Agreement that EPA is not a party signatory to the access agreement.

Without this information, the Site access agreement cannot be finalized. Even so, North Shore has identified these gaps in the redrafted access agreement and requests OMC to respond.

North Shore remains ready to complete access negotiations with OMC this week. We are prepared to meet Thursday, Friday, Saturday, Sunday to avoid breaking EPA's Monday, January 13th deadline, but OMC must fulfill its side of the bargain by responding, as it promised, at our January 6, 1992 joint EPA meeting. I look forward to your rapid reply.

Sincerely,



Russell B. Selman

RBS/dn

cc: Mr. Patrick J. Doyle

LICENSE AGREEMENT

THIS LICENSE AGREEMENT (the "Agreement" or "License"), is made this ____ day of _____, 19 ___, by and between **OUTBOARD MARINE CORPORATION ("OMC")** and **NORTH SHORE GAS COMPANY ("North Shore")** (collectively the "Parties");

WHEREAS, OMC, North Shore and General Motors Corporation ("GM") have been identified by EPA as potentially responsible parties ("PRPs") pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601 *et seq.*, for the Waukegan Manufactured Gas and Coke Plant Site in Waukegan, Illinois, as described in Exhibit A attached hereto, (the "Site");

WHEREAS, EPA and North Shore have entered into an Administrative Order On Consent Re: Remedial Investigation and Feasibility Study for the Site, U.S. EPA Docket No. VW-91-C-085 (the "Order") on August 27, 1990;

WHEREAS, the stated purpose of the Remedial Investigation and Feasibility Study ("RI/FS") is to (1) fully determine the nature and extent of the potential threat, if any, to the public health, welfare and the environment caused by the release or threatened release of hazardous substances, pollutants or contaminants from or at the Site by conducting a Remedial Investigation ("RI"); (2) determine and evaluate alternatives for remedial action to prevent, mitigate or otherwise remedy any release or threatened release of hazardous substances, pollutants or contaminants from or at the Site by conducting a Feasibility Study ("FS"); and (3) recover response and oversight costs incurred by the United States Environmental Protection Agency ("EPA") and the Illinois Environmental Protection Agency ("IEPA") consistent with the National Contingency Plan ("NCP") 40 C.F.R. § 300 *et seq.*;

WHEREAS, OMC holds exclusive title to the fee interest in the real property comprising the Site; (*Awaiting response from OMC*)

WHEREAS, North Shore has requested permission to enter upon the Site in order to prepare for and conduct the RI/FS; and

WHEREAS, OMC is willing to grant North Shore a license for the above-stated purposes;

NOW, THEREFORE, in consideration of and conditioned upon the mutual covenants, promises and agreements stated herein, the Parties agree as follows:

1. OMC ("Licensor") hereby grants to North Shore, their respective employees and agents, including contractors and subcontractors, (collectively the "Licensee") a temporary license to enter upon the Site located in Waukegan, Illinois for the purpose of preparing for and conducting any and all activities necessary to implement the RI/FS pursuant to the Order. To the extent that the installation, operation, maintenance and sampling of monitoring wells are required pursuant to the Order, Licensor further grants Licensee a temporary license for the purposes of continuing operation and maintenance of such wells and the collection of any test samples.

2. Licensee has provided Licensor with a written timetable setting forth the activities to be conducted in the preparation for and implementation of the RI/FS in sufficient detail to allow Licensor to reasonably ascertain the nature and scope of such activities contemplated at the Site. Such written timetable is acceptable to Licensor.

3. Licensee shall conduct all activities set forth in this License in a manner so as to avoid interfering with Licensor's ongoing operations at the Site, including the implementation of a Consent Decree, as amended, entered into between OMC, EPA and IEPA in United States v. Outboard Marine Corp., Nos. 88-C-8571 and 88-C-8572 (N.D. Ill.) ("Consent Decree"). Licensor shall conduct all activities required by the Consent Decree in a

manner so as to avoid interfering with Licensee's RI/FS activities at the Site as required by the Order. In the event that Site activities required by the Order or the Consent Decree interfere with the other activities, the Licensor's and Licensee's Project Managers shall initially make best efforts to informally resolve the issue to the satisfaction of the Parties. In the event that such best efforts at informal resolution are unsuccessful, the issue(s) of interference shall be presented to, and solely decided by, the EPA Project Manager. *(Awaiting response from OMC)*

4. North Shore's contractor or subcontractors shall, each at its own cost and expense and prior to any entry upon the Site, obtain the following coverage and shall maintain such coverage during the course of the activities described in this Agreement.

COVERAGE	LIMITS
(1) Employer's Liability	\$1,000,000 each occurrence
(2) General Liability (personal injury)	\$1,000,000 aggregate
(3) General Liability (bodily injury and property damage combined)	\$3,000,000 each occurrence
(4) Automobile Liability (bodily injury and property damage combined)	\$1,000,000 each occurrence
(5) Workmen Compensation	Statutory

(These coverages and limits are tentative and will be finalized shortly)

Prior to any entry upon the Site, Licensee shall provide Licensor as evidence of such insurance, a certificate of insurance in compliance with the requirements of this paragraph.

5. Licenser shall permit only those employees of Licensee designated by North Shore in writing to enter the Site at reasonable times to conduct the activities set forth in this License. North Shore shall ensure that all employees and any contractor or subcontractor so designated by North Shore possess the proper certifications and training as required under all applicable laws.

6. Licensee shall not be liable for any injuries or damages to persons or property resulting from acts or omissions of the Licenser or any person on its behalf in carrying out any activity under the Consent Decree. Licensee agrees, at its expense, to indemnify and hold harmless Licenser, against and from any and all claims, demands, damages, losses, lawsuits, other proceedings, causes of action, liabilities, claims of lien, liens, civil or criminal penalties and charges, attorneys' fees or other costs and expenses ("Liabilities") which may at any time be imposed upon, incurred by or asserted or awarded against Licenser and arising directly and solely from or out of negligent, grossly negligent, or intentional misconduct of or by the Licensee in connection with any RI/FS work conducted pursuant to the Order.

7. Licensee shall provide Licenser with not less than twenty-four hours notice of any sampling to be conducted at the Site, giving details as to the location, time and manner of such sample-taking and shall offer Licenser or its representatives the opportunity to split any samples collected.

8. Licensee shall provide Licenser with all documents which reference, discuss, describe or otherwise concern the activities of Licensee at the Site in the preparation for and completion of the RI/FS pursuant to the Order, including, without limitation, all work plans, field sampling plans, quality assurance plans, health and safety plans, analytical results and data, reports, and correspondence between North Shore and any government agency, except for such documents which fall within the coverage of the attorney-client privilege or are

exempt from disclosure under the Freedom of Information Act ("FOIA"), 5 U.S.C. § 552. Licensor agrees to reimburse North Shore for any and all commercially reasonable reproduction costs related to the provision of the above-referenced documents.

9. Licensor shall provide Licensee with all documents which reference, discuss, describe or otherwise concern the activities of Licensor at the Site in preparation for and completion of the Consent Decree, including, without limitations, all work plans, field sampling plans, quality assurance plans, health and safety plans, analytical results and data, reports, and correspondence between North Shore and any government agency, except for such documents which fall within the coverage of the attorney-client privilege or are exempt from disclosure under the Freedom of Information Act ("FOIA"), 5 U.S.C. § 552. Licensee agrees to reimburse Licensor for any and all commercially reasonable reproduction costs related to the provision of the above-referenced documents. Further, Licensor agrees to provide Licensee with all sampling reports generated pursuant to paragraph 7.

10. All equipment, machinery, supplies and other personal property which Licensee causes to be located at the Site (collectively referred to herein as "Licensee property") for the purpose of conducting RI/FS work pursuant to the Order and subsequent work relating to monitoring wells shall remain the property of the Licensee. Following the completion of all RI/FS work conducted pursuant to the Order, Licensee hereby agrees to remove from the Site all Licensee property not required by EPA or the Order to remain on the Site. Licensee also agrees to remove all refuse and debris that did not exist at the Site prior to the RI/FS work and that was generated solely and directly by the RI/FS work. North Shore shall maintain any necessary monitoring wells in accordance with sound engineering practices.

11. Licensor hereby acknowledges the receipt RI/FS Work Plan and Order and specifically consents to and grants all approvals for all action undertaken pursuant to the Work Plan and Order.

12. This License shall continue in effect until such time as the RI/FS is concluded to the satisfaction of EPA as provided in paragraph XXX of the Order entitled "Termination and Satisfaction" provided, however, that North Shore shall retain a right to access as long as it is required to maintain monitoring wells on the Site. By Termination and Satisfaction of this License, Licensor makes no acknowledgement that the work performed by Licensee is consistent with the National Contingency Plan.

13. The Parties reserve all rights and defenses that they may have individually or collectively pursuant to any available legal authority.

14. The Parties recognize that the Site access provided by this License is necessary to the completion of the RI/FS pursuant to the Order.

15. Failure of Licensee to materially comply with all terms and conditions of this License shall result in immediate revocation by Licensor.

IN WITNESS WHEREOF, the parties hereto have caused this License Agreement to be executed the day and year first above written.

OUTBOARD MARINE CORPORATION

By: _____

D.J. Baddeley
Associate General Counsel
& Secretary

NORTH SHORE GAS COMPANY

By: _____

Patrick J. Doyle
Vice President